

Local bureaucracies in rural Argentina: who is behind the desk?

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Introduction

Bureaucracies are a crucial element of modern democracies. They are the material expression of the abstract concept of the state, in charge of providing services, goods and regulations (Oszlak, 2006). They are in charge of implementing policies outlined from elected officials, but they are more than just an instrument. Bureaucracies ensure stability in public policies and might limit the discretionary power of elected officials or governments (Iacoviello et al. 2010), while also generating positive economic impacts and reducing corruption (Evans and Rauch 1999, Rauch 1995). Bureaucratic agencies are not only the ‘face of the government’, but rather an actor that can determine the content of public policy and its implementation, impacting in this way local development.

The formulation of public policies, rather than its mere execution, is a defining element of public bureaucracy (Ejersbo and Svara 2012). Specially in small communities, where there is a proximity between elected officials, administrators and citizens, bureaucracies have a crucial role in providing solutions for local problems, conveying citizens problems to local elected officials and guaranteeing a long-term implementation of policies across administrations and political parties.

Last but not least, bureaucracies provide a fair and stable employment for those employed in the public service (IACPS 2003). This is a crucial point given that public employment is, for rural areas, one of the main sources of employment and, as such, may influence local economic development, becoming a mechanism to reduce inequalities or crystallizing them (CEPAL et al. 2013: 24).

Of critical importance is then the relationship that elected officials have with bureaucracies, since they are credited with the responsibility of hiring public officials. Bureaucracies need to achieve certain independence from politicians in order to guarantee stability and implementation of long-term policies, however, their actions also need to reflect policies outlined from democratically elected officials. Bureaucracies that become too independent and unresponsive to elected officials might possess a threat to democracy while, on the other hand, bureaucracies that respond exclusively to politicians in office might forget altogether to pursue policy goals choosing instead to build political support for the patron (Grindle 2012).

However, there is another variable that becomes important when explaining results achieved by public bureaucracies: their technical capacity. Public service needs to have the right balance of independence and autonomy from elected officials but also be technically capable of accurately performing activities related to their job description, providing services, anticipating and solving problems. Different authors stressed the importance of analyzing bureaucracies looking at both autonomy and capacity (Iacoviello et al. 2010, Fukuyama 2013, Cingolani et al. 2015). Iacoviello et al (2010) identify four types according to the level of autonomy and capacity: meritocratic, administrative, parallel and patronage bureaucracies. Administrative bureaucracies have relatively high autonomy, but they lack technical capacity to influence in policy design or innovation: they are dedicated to standardized routine activities. In units where patronage bureaucracy prevails, individuals could lack technical capabilities (because they are not hired by their credentials or experience) nor have incentives to promote any policy outside the political patron that facilitated the job. Parallel bureaucracies are usually part of specific projects, they have high technical capacities but because of the nature of the contract and task are expected to have low long-term impact on policy development. Meritocratic bureaucracies are the closest type of a Weber's ideal type, where personnel are recruited in a merit base having both the technical capacity and the relative autonomy to express opinions and contribute to policy development (Iacoviello et al. 2010).

This article analyzes *how local human resources are appointed, managed and dismissed* in rural communities in Argentina, looking to identify if they function closer to the meritocratic model or the patronage model.

Public bureaucracies in Latin America have followed different paths from bureaucracies in developed countries. While bureaucracies in developed countries have been characterized as excessively independent and lacking flexibility (Olsen 2005), the reality of Latin America shows a general lack of professionalism and accountability, transparency and the presence of corruption (CLAD 2010), usually exacerbating political swings. There are, however, differences between Latin American countries. Iacoviello et al (2010) distinguish three groups of countries: Brazil, Chile and, to a lesser extent, Costa Rica as examples of a more advanced level of recruitment and retention. Second, Argentina and Uruguay are in the intermediate group with some 'isles' of meritocratic bureaucracies but presence of patronage and administrative types, therefore showing large disparities between agencies and levels of the state. Finally, within the weakest bureaucracies we find countries like Bolivia, Paraguay, Dominican Republic and El Salvador, where the widespread use of patronage and low institutionalization places their bureaucracies far away from the meritocratic model.

This article represents an opportunity to highlight the differences between the challenges faced by public administrations in Latin America, but also within countries. While some outstanding articles have explored the differences between agencies in a country (Bersch et al. 2017), most of the literature covers national agencies rather local structures. In Argentina, previous research has been focused on the national level or geographically within Buenos Aires city and its suburbs, leaving relatively unexplored the reality of rural communities.

Methods

The research has adopted a qualitative method for different reasons. In the first place, data availability. Both the country and the nature of the phenomena being studied entail serious limitations to data access. In the first place, Argentina does not collect data about public employees in a periodical manner, that covers basic attributes such as gender, age, education. Instead, the only sources of data are the national census that is completed every 10 years. Apart from the census information, the data collected and published as well as the methodology used varies between governments and their goals. Municipalities are not responsible for keeping any particular record or complying with any statistical way of reporting. The result is that data is not

being captured, making it difficult to tackle other types of analysis based on quantitative methods. Instead, the article sets up an explanatory question, using a case study to focus on explaining how personnel are appointed and managed (Yin 1994).

In the second place, the use of a qualitative method is the result of the theoretical approach. This article analyzes the topic of public bureaucracies through a historical institutionalist approach. Historical institutionalists focus the particularities of the local background, analyzing cases in specific space and time, and although they include a wide array of methods, this approach relies to a greater extent in qualitative methods that highlight the process and the history rather than statistical analysis of natural experiments (Fioretos et al. 2016: 16). But institutionalism also helps emphasize the presence of both informal and formal institutions: local bureaucracies in the Buenos Aires province operate in an extremely weak formal context, where the only laws that need to be followed are those concerning workers' rights. In an environment where there are no formal procedures that guide the hiring and management practices, informal rules become even more important. This attention to informal institutions has an impact on methods of collecting data, in which semi-structured interviews and open-ended questions have better chances to capture informal rules of the game that might not come clear with other methods. Lastly, institutionalism becomes a valid heuristic tool to understand the incentive for local politicians to continue certain practices, even at the cost of general efficiency.

The data was collected through interviews to seven key players in the municipal environment in Bolivar. The focus was on municipal Executive power because this is the key player that decides who enters the local public administration. Representatives of all political parties have been interviewed, including past Mayors and current officials closely linked to human resources management.

The case study is based on a typical case within the 'cattle cluster'. Buenos Aires is a very heterogenous province in term of geography, population distribution and economic activities. The cattle cluster is a grouping of municipalities (Aramburú and Cadelli 2012) whose predominant economic activity is cattle raising, with very low participation of industry and economic diversification, where the public sector is the greatest source of employment along with agricultural activities. These municipalities share a similar financial situation, with a rigid

income structure that is very dependent on external funding, very different from the situation of governments in the Buenos Aires suburbs. The municipality of Bolivar, within this cluster is used as a typical case study. They also show a low population density and high expenses in public salaries per habitant. The intention is to explore the reality of hiring practices some in rural municipalities, opening the avenue for further research to explore the consequences for development and inequality in local environments.

Results

Bolivar's bureaucracy is characterized by a two-tier system: a first level comprised by the Mayor's closest advisers, who act as department heads and a second level that forms a permanent body of employees functioning under the direction of department heads.

First tier

This group represents the Mayor's closest team and advisors. They are in charge of implementing policies through the teams they manage. It is formally the Executive's exclusive right to appoint his team and all the interviewees seem to agree that no other actors participate informally in this decision. In Bolivar, this accounts for an average of 60 people that the Mayor appoints directly trying to ensure the highest degree of support. There is no formal post description and recruitment process designed to select the individual that matches the skills required. On the contrary, it is the Mayor who through an informal process selects the individual that, firstly, needs to be loyal to his political project and secondly, can efficiently coordinate his or her area.

While serving as employees, their performance as well as other management components such as remuneration is linked to political considerations rather objective standards. Typically, these employees are dismissed when the Mayor changes, especially when there is a change in the political party.

Second tier

The second tier of municipal employees is comprised by the bulk of the public employees that are employed by the municipality providing services that range from waste collection, cleaning services, administrative and medical staff. The city had 969 municipal employees in 2010

increasing to 1280 in 2018¹. This represents an increase of 32%, while its total population increased over the same period by 5.4% (INDEC census 2010). The personnel are divided in permanent, transitory and independent contractors. Independent contractors, although a legal form utilized to hire services in a one-time manner, became an under-covered way of hiring personnel that is extremely difficult to track and monitor. It is believed Bolívar has in between 300 and 400 contractors.

The prevalent appointment strategy in this second level is patronage. Interview No. 6 confirms that “In the lower layers [second tier of public employment], an impartial recruitment is not guaranteed in Bolívar, on the contrary, the militancy and political identity are prioritized to their technical profile”. Similarly, interview No. 2 corroborates that “The decision of hiring employees responds more to electoral politics than to the specific necessities of the municipality”. Each election, the interview continues, brings 60 to 70 new employees to the municipality that are expected to bring not only their votes but also their entire families’ support. This forms what M. Grindle calls a ‘patronage system’: not just a few, closest advisors designated by its loyalty, but a situation “where discretionary appointment for personal and/or political purposes is a principal route to a nonelected position in government for a large portion of those enjoying such positions” (Grindle 2012: 18).

To families in this second tier of employees, the most important benefit they get from the relationship with the patron, is the prospect of a stable job. This differs greatly from the first tier of employees who join the public administration to influence local politics and policies, and where the salaries (although higher than those from the second tier) do not represent the biggest incentive.

The fact that municipal jobs are such a crucial element of the lives of these people explains why employees keep their support to their patron through their employment. Oliveros (2013) describes that it is in the client’s interests to have the patron in power, because these employees perceive that their fates are tied to the political fate of the politician who hired them (Oliveros

¹ Information from 2001 census is not separated among different levels of government. It can be estimated that the municipality counted in that year with 569 employees. This would imply an increase of the staff from 2001 to 2018 is of 125%.

2013: 4). One of the interviews summarized in this way the link between patron and employees in Bolivar: “[...] They don’t even have the ability to complain [for better work conditions] because they feel that the Mayor or the official who gives them the job are doing a favor for them”.

In exchange for a stable job, clients not only ensure a vote for their patrons, and some dedicate time for their political campaigns, but also provide ‘favors’ (i.e. routine tasks simplified to the beneficiary) to friends, family and party supporters (Oliveros 2016). This is a source of benefits for the incumbent party that come at no cost for them and provides an enormous advantage over their political opponents. This explanation is critical to understand why the system lasts over time, even when it brings inefficiencies to the overall performance of public bureaucracy. Politicians gain more support the more people they hire, which becomes an activity with high exit costs, thus changing will imply the Mayor to renounce unilaterally to patronage recruitment, putting his or her party in a disadvantageous position, abandoning a practice that increases support at virtually no cost for the party. Patronage is therefore a strategy that shows increasing returns and high exit costs, matching Pierson’s definition of path dependency².

The likelihood of a change promoted from other levels of the state is also unlikely, given that provincial and national governments operate under an informal understanding that state resources can and should be used for political purposes. At the national and provincial levels, the transfer of funds is used to gain political support within the system, at the municipal level, Executive body uses the municipal civil service. Consequently, the municipal staff growth is driven by political dynamics rather than organizational needs.

As a result of patronage, the recruitment process works in the opposite direction as most bureaucratic organizations: individuals get a job in the municipality if they contributed to the (elected) Mayor’s political campaign and then they are assigned a task. Interview No. 7 explained that there is a surplus of 300 to 400 people in the municipality that do not have a

² Path dependence is a critical concept in historical institutionalism (Fioretos et al, 2016: 9), although it is not unequivocal on its interpretation (Fioretos et al, 2016: 9; Rixen and Viola, 2014; Pierson, 2000). According to Pierson (2000) a path dependent process implies increasing returns. In his view, path dependence describes how preceding steps in a particular direction induce further movement in the same direction by augmenting the costs of exiting that path.

specific task assigned. They are granted a position if they collaborate with the Mayor's political campaign and once they get the job it is quickly assessed what they can do: if they can mow the lawn they work in parks and recreation, if they can use a computer they are assigned to an administrative area that can absorb one more employee.

A partial exception to this process are positions that require professionals of a specific field, e.g. medical staff. In this respect, oftentimes more qualified positions are open to politically independent or even opponents to incumbent parties because in the local environment the pool of qualified people in certain areas is limited. Still, the process is run in most cases without a formal post description and the requirements of the candidates are flexible. In none of the cases are impartial selection processes, conducted by independent bodies, granted.

Management during their time as employees is also critical. Management includes how employee's performance is evaluated, the training they receive, opportunities in their career path, and workspace responsibility i.e. how are they held accountable on their attendance, work hours, care of the public property, etc. Management also includes remuneration, which is a critical element to retain qualified personnel. However, in Bolivar remuneration is the only management element discussed.

The reason why salary is the exclusive element being discussed by employees, unions and the Mayor's Office is because salaries are very low. A great number of employees earn less or the minimum salary, which represent a big challenge to recruit and maintain qualified personnel. In 2017 it has been reported that the salary of the majority of municipal employees was less than 10.000 pesos a month (Conciencia Medios 2017), while the poverty line for the month of July 2017 for a family of 4 was at 15,024.72 pesos/month (INDEC 2017). This results in a great number of employees receiving less than the minimum to provide for their families.

The reason for low salaries lies on the deficit municipal budget. Like other municipalities in the cattle cluster, 65% of Bolivar's expenses are comprised by personnel's salaries (SCE 2014). This precarious situation is the result of external constraints and internal decisions. Within the external factors that explain this situation, there is a chronical deficit product of a decentralization process that transferred responsibilities to lower levels of the state without

transferring financial resources (Falleti 2005). However, this is paired with an internal decision of increasing the staffed public employees. This generates a vicious circle on every election: local authorities incorporate more people that helped in the Mayor's political campaign; these jobs add more pressure to local budget; local budget cannot afford substantial increase on salaries and training of the existing personnel. In spite of the budget restrictions, the next election more personnel are hired.

Education and training are not only absent through the hiring process but also throughout the professional career of the personnel. Those interviewed agreed that the elements that hinder the development of a more trained or qualified workforce can be summarized in: lack of support from other levels of government that do not provide resources and support for employee's training; lack of incentives for local actors, meaning it is not a priority for the Mayor nor the employees or the unions; low salaries that hinders the Municipality's ability to recruit and retain already trained personnel, captured by the private sector; and lastly the local restrictions on the pool of candidates where qualified personnel in certain areas is scarce, a situation partially attributed to the 'local brain-drain', that is, students that leave Bolivar to study in bigger cities and do not return once trained.

It is important to emphasize how patronage affects not only the appointment phase but the management of the existing staff. Grindle explains that the "processes of recruitment determine expectations about obligation -to the person and his or her priorities or to the "service," its norms of behavior, and the responsibility of office" (Grindle 2012). We can see this in Bolivar where political loyalty and connections replace an objective performance evaluation system and clear professional career advancement. Furthermore, the lack of clear workplace obligation rules leads to the widespread misuse of state resources, leaving to personal and ethical considerations to judge basic elements of any employment contract such as hours the employee should work or whether they can make personal use of municipal assets, etc. It has been reported that employees with good political connections do not respect working hours, openly misuse public goods and engage in corrupt activities.

Dismissal follows also a political line. Although conforming to the legal framework unjustified dismissal of employees is in general terms very rare, political opponents are demoted, transferred

to other areas or given less resources to work with compared to those that are aligned to the Mayor's party.

To conclude, municipal bureaucracy in Bolivar shows low autonomy and low technical capacity. Within the first tier, political loyalty takes precedence over technical capacity in the selection process, leading to a staff with very low levels of autonomy but varying degrees of capacity. There is a recent experience of an elected Mayor that focused on forming a team with young and educated appointees, trying to give Bolivar a 'fresh start' and differentiate from his predecessor's team. While more capacity might be understood as a positive impact in development and policy formulation, more competence in this tier of appointments can hardly bring structural changes without accompanying levels of autonomy. Because of their connection with the Mayor and technical knowledge they have great chances of promoting strategies of local development, however, their temporary nature represents an obstacle to structural changes. During interviews several promising projects were mentioned that were not continued once their champions were gone. Additionally, they fail to give the tools to the second tier of employees, that enjoy more stability, to generate themselves these projects and initiatives.

Within the second tier, as a consequence of patronage appointments, the levels of autonomy are also very low. It is important to note that patronage does not necessarily result in low capacity (Grindle 2012). In Bolivar, the absence of merit recruitment is combined with a great disregard for technical capacity. As Grindle puts it: "in patronage systems, competence can be a criterion of hiring, but whether or not it is depends upon the preferences of the hiring patron" (Grindle 2012: 22). Technical capacity is only valued, to some extent, in first levels of recruitment and professional positions.

Discussion

Low autonomy and low capacity jeopardize the ability to fulfill the main goals of public bureaucracies, outlined at the beginning of this article. Low autonomy disrupts the most basic goals of the bureaucratic organization that no longer works 'for the municipality' but rather 'for the Mayor's political project', favoring an environment prone to corruption and misuse of public

resources. Low technical capacity reduces the municipality's efficiency in the provision of the most basic services, limiting economic development.

As a result, this type of human resource management (or the lack of it) limits the possibility of bureaucracies of implementing policies, but also importantly, it reduces the bureaucracies' ability to formulate policies, to come up with original solutions to local problems utilizing its unique position in between citizens and elected officials, to guarantee a long-term implementation of policies and to reduce discretion. Moreover, it reproduces inequalities present in the local environment inside and outside the municipality. A topic that deserves special attention is the reproduction of gender inequalities: according to current figures, there's a 13% pay gap between men and women in the municipality, where men hold 60% of the management positions. An analysis of the areas where men are employed shows that there is a reproduction of cultural stereotypes (e.g. women employed in medical care and initial education services, men in charge of construction and budget) and municipality lacks the data to understand the phenomenon as well as the willingness to actively promote policies to change it.

This highlights the need for further research to explore the nexus between bureaucracies and development in small communities, as well as between bureaucracies and reproduction of gender inequality.

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